



# VILLAGE ROADSHOW

7 December 2020

## STRUCTURE A SCHEME MEETING CHAIRMAN'S ADDRESS

This meeting has been convened in accordance with orders made by the Federal Court of Australia on 9 October 2020 and 25 November 2020 as well as VRL's Constitution. The purpose of this meeting is for you to consider, and if you think fit, approve a scheme of arrangement between VRL and the holders of its ordinary shares (other than the Structure A Excluded Shareholders). If the proposed Structure A Scheme proceeds, Village Roadshow Corporation Pty Ltd (VRC) will acquire all of the shares in VRL, and VRL shareholders will receive the Scheme Consideration that I will outline shortly. The Scheme is subject to certain conditions, which I will also outline shortly, being satisfied or waived.

I refer to the Notice of Postponed Structure A Scheme Meeting contained in Appendix 1 to the Supplementary Disclosure Document that sets out the resolution proposed for today's meeting. As the Supplementary Disclosure Document was released on ASX on 25 November 2020 and subsequently made available to shareholders, I will take the Notice of Postponed Structure A Scheme Meeting as read.

The Scheme Booklet, which you will have had the opportunity to review, explains the reasons for VRL Shareholders to vote in favour of the Structure A Scheme and potential reasons for them to vote against the Structure A Scheme. The Scheme Booklet also contains an Independent Expert's Report from Grant Samuel & Associates.

I will now go through a few administrative matters before turning to the substantive part of this meeting.

Votes can be submitted up to the time when I declare voting closed. If you are eligible to vote at this meeting, a new polling icon will appear. Selecting this icon will bring up the resolution to be passed at this meeting and present you with voting options. To cast your vote simply select one of the options. There is no need to hit a submit or enter button as the vote is automatically recorded. You do however have the ability to change your vote, up until the time I declare voting closed.

Questions can be submitted at any time. To ask a question press on the speech bubble icon. This will open a new screen. At the bottom of that screen there is a section for you to type your question. Once you have finished typing please hit the arrow symbol to send.

Please note that while you can submit questions from now on, I will not address them until the relevant time in the meeting. Please also note that your questions may be moderated or if we receive multiple questions on one topic, amalgamated together.

I would now like to say a few words about the proposed Structure A Scheme.

## Scheme Consideration

If the Structure A Scheme proceeds, each holder of VRL Shares (other than Structure A Excluded Shareholders) as at the Structure A Scheme Record Date (currently proposed to be 7.00pm on Friday, 18 December 2020) will transfer all of their VRL Shares to VRC on the Implementation Date (currently proposed to be Tuesday, 29 December 2020), in exchange for a cash payment of \$3.00 for each VRL Share they hold on the Scheme Record Date. As announced to ASX on 30 November 2020, no HoldCo Shares will be issued as Scheme Consideration. This is because HoldCo was only required to do so if valid Elections were received under the Structure A Scheme in respect of Structure A Scheme Shares equal to at least the Structure A Share Floor, being 9,762,630 VRL Shares. The valid Elections received did not exceed the Structure A Share Floor.

As shareholders will be aware, the parties to the Implementation Agreement entered into a third amending deed on 23 November 2020 which amended the terms of the Implementation Agreement so that the Structure A Cash Consideration was increased from \$2.32 to \$3.00 per Share. At the Second Court Hearing, VRL will seek approval from the Court to amend the terms of the Structure A Scheme to reflect the increased consideration from \$2.32 to \$3.00 per Share.

Your Independent Directors continue to believe that the reasons set out in the Scheme Booklet to vote in favour of the Structure A Scheme outweigh the potential reasons to vote against the Structure A Scheme. Accordingly, we maintain our previously stated recommendation that VRL shareholders should vote in favour of the Structure A Scheme in the absence of a superior proposal. I confirm that no superior proposal has been received.

As stated in the Scheme Booklet, the Structure A Scheme is conditional on various operational and procedural conditions, usual for a transaction of this nature, which are described in detail in the Scheme Booklet. We are not aware of any reason why they will not be either satisfied or waived at least 2 hours before the start of the Second Court Hearing, which is scheduled for Tuesday, 15 December 2020.

Subject to:

1. your approval of the Structure A Scheme at this meeting;
  2. the operational and procedural conditions noted above being either satisfied or waived at least 2 hours before the start of the Second Court hearing; and
  3. the Federal Court of Australia approving the Structure A Scheme at that hearing,
- the Structure A Scheme will become legally effective and will bind all VRL Shareholders (other than Structure A Excluded Shareholders) holding VRL Shares at 7.00pm (Melbourne time) on Friday, 18 December 2020 (being the Record Date for the Structure A Scheme).

As stated in the Scheme Booklet, VRL has lodged a class ruling application with the ATO seeking confirmation on specific Australian taxation implications for VRL shareholders. Specifically, in respect of the Structure A Scheme, the class ruling applications seek the ATO's confirmation on the CGT implications for Australian resident VRL Shareholders for participating in the Structure A Scheme.

Although the formal Class Ruling has not yet been issued by the ATO, VRL is pleased to confirm that VRL has been in constructive and positive dialogue with the ATO in relation to the progression of the Class Ruling application. Based on that dialogue, VRL considers that there should be no material issues associated with the progression of the Class Ruling. The

aspect of the Class Ruling which relates to the availability of scrip for scrip roll-over relief is no longer relevant given that no HoldCo Shares will be issued as Scheme Consideration.

This announcement has been authorised by VRL's ASX Communications Officer.

For further information:

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